

Exhibit B

COR

RETIREE COMMITTEE SUPPORT LETTER

Greetings.

You are receiving this letter because you are, like us, a member of the Employee Retirement System of the Government of Puerto Rico (ERS), Teachers' Retirement System (TRS), or Judicial Retirement System (JRS) and a creditor in the bankruptcy of the government of Puerto Rico under Title III of the federal law PROMESA. As members of these pension plans, we are being asked to vote on Puerto Rico's *Fourth Amended Plan of Adjustment* (Plan) in the government's bankruptcy proceedings. The Official Committee of Retired Employees of the Government of Puerto Rico (COR, by its Spanish acronym) has negotiated an agreement (COR Agreement) that is highly beneficial to all retirees regarding how our pensions will be treated under the Plan. The COR Agreement has been incorporated into the Plan.

Accordingly, we strongly urge you **TO VOTE TO ACCEPT THE PLAN.**



WHO IS THE COR?

The COR is an official committee appointed by the United States Trustee to represent and protect the collective interests of our class of creditors in the bankruptcy case in the U.S. District Court. The Committee is composed of eight volunteer members selected through a public invitation and personal interview process. Members of the COR include former judges, teachers and other government employees. During the past four years, the COR, with the advice of our legal and financial team of professionals, has worked diligently and used every legal tool available to prevent the severe cuts that were initially proposed by the Fiscal Oversight and Management Board (FOMB), protect retirees and minimize the impact of the debt adjustment on our pension benefits. The result of our efforts is the COR Agreement.



PROPOSED TERMS OF THE COR AGREEMENT

We ask that you support the COR Agreement by voting to accept the Plan. Below we summarize the terms of the COR Agreement vs. the FOMB's original proposal, which included severe cuts to pensions, the elimination of bonuses and the monthly contribution to health insurance, and additional cuts for retirees receiving Social Security benefits. Under the COR Agreement, the Committee was able to secure much better terms for our class of retirees given our group's composition and our contribution to Puerto Rico's economy.

The COR Agreement focused on four main goals:

- **Protect the most vulnerable retirees from any cut:** We did this by raising the threshold to initiate pension cuts from as low as \$600 a month to \$1,500 a month. As a result of the COR's negotiations with the FOMB, ***there will be no pension reductions for retirees with monthly pension benefits below \$1,500, protecting more than 73% of all retirees (over 120,000 retirees).***

- Under our Agreement, we have tripled the number of retirees that are fully protected. Retirees with a **monthly pension below \$1,500 will not experience a cut in benefits.**
- **Reduce the pension cut for all other retirees:** We did this by substantially **reducing the maximum cut proposed from up to 25% to up to 8.5%. No pension can fall below \$1,500 per month after the cut.** As a result, retirees experiencing maximum cuts, will retain 91.5% of current pension benefits, plus 100% of the monthly contribution to the health plan, and avoid further cuts if receiving Social Security benefits. Please visit the COR's website at www.porturetiro.com to use the COR online pension calculator to calculate your monthly reduction in benefits under the COR Agreement vs. the FOMB's initial proposal.
- **Provide security for future pension payments:** We did this by negotiating the creation of a pension reserve fund to support pension payments should, once again, the government not have enough money to pay retirees in the future. The government will make annual contributions to this fund of at least \$175 million per year through 2027.
- **Enable the government to restore cuts to benefits year to year, if Puerto Rico's economy outperforms current projections:** We did this by negotiating a benefit restoration mechanism (i.e., a payment to retirees up to the amount of our pension reduction in a given year) that will enable the government to restore our pensions under two scenarios:
 - If the government identifies in its annual budget a source of revenue to restore pension cuts to affected retirees; or
 - If the government revenues, in a given fiscal year, exceed projections by a minimum amount.

This provides the very real possibility of further minimizing or eliminating any pension reductions starting in the fiscal year immediately after the Plan is approved by the Court.



VOTING ON THE PLAN

- Included with this letter is a Ballot and a document titled "Instructions for Voting on Plan of Adjustment" that includes directions for completing the Ballot. Please follow the instructions and return your Ballot: (a) by mail (use the return envelope included in the package), (b) by hand delivery to one of the drop-off sites identified in the Ballot Instructions, or (c) electronically at the website of the Balloting Agent.

ONLY RETIREES WITH MONTHLY BENEFITS ABOVE THE THRESHOLD (\$1,500) ARE ASKED TO VOTE. RETIREES WITH MONTHLY BENEFITS BELOW THE \$1,500 THRESHOLD DO NOT EXPERIENCE BENEFIT REDUCTIONS; THEREFORE, UNDER PROMESA, THEY DO NOT VOTE.



WHY WE ARE ASKING YOU TO VOTE YES

- All members of the COR are retirees, like you, who will experience pension cuts. It is difficult to ask anyone to accept a cut to our hard-earned pensions. But we truly believe that the COR Agreement is in the best interest of retirees and a viable proposition under PROMESA's Title III to protect our pensions and the pensions of future retirees.

We need you to know that, if retirees vote to reject the Plan, the FOMB could propose another Plan with terms like their original proposal for retirees, which was significantly worse. If the Plan is not approved by the Court, the benefits negotiated by the Committee such as the up to 8.5% cut (vs. up to 25%), the \$1,500 monthly pension threshold (vs. as low as \$600 monthly), the possibility of benefit restoration and the creation of a pension reserve, among others, are not guaranteed and could be modified.

For the reasons stated above, **THE COR BELIEVES THAT THE PLAN AND ITS PROPOSED TREATMENT OF RETIREES' PENSION CLAIMS ARE IN THE BEST INTERESTS OF ALL RETIREES AND URGES ALL RETIREES TO VOTE TO ACCEPT THE PLAN BY RETURNING YOUR BALLOTS INDICATING ACCEPTANCE OF THE PLAN, IN ACCORDANCE WITH THE BALLOT INSTRUCTIONS.^{1,2}**

Your colleagues from the COR

Miguel J. Fabre Ramírez
retired judge

Carmen Haydee Núñez,
retired from the Puerto Rico State
Insurance Fund

Blanca E. Paniagua
retired from the Treasury
Department of Puerto Rico

Juan Ortiz Curet
retired teacher from the Puerto Rico
Department of Education

Milagros Acevedo Santiago
retired from the Bayamón Justice Court

Lydia R. Pellet
retired from the Administration for Mental
Health Services and Against Addiction

Marcos A. López Reyes
retired professor from the University
of Puerto Rico

Rosario Pacheco Fontán
retired from the San Juan Property Registry



VOTE

For more information, please visit the COR website:

porturetiro.com

You may also submit questions directly to the COR at info@porturetiro.com and with the assistance of our professionals we will respond as soon as possible.

¹ The COR may file certain comments to the Plan, to ensure that it meets all the legal requirements for Court approval. Nonetheless, the COR recommends that all retirees entitled to vote on the Plan vote to accept the Plan. Also, please note that, for retired judges, an issue exists as to whether the 8.5% maximum cut under the COR Agreement includes or is in addition to the elimination of the judges' statutory cost of living adjustments. The COR's position is that the 8.5% maximum cut is inclusive of the judge's statutory cost of living adjustments and it will continue to negotiate to resolve this issue with the FOMB.

² The information regarding the COR Agreement is a summary prepared by the Committee to help retirees understand its terms. In the event there are any discrepancies with the Plan presented by the FOMB, the information in the Plan will supersede the information in this letter.

COR

**Understand the Impact of
Proposed Retiree Committee
Agreement on Your Pensions**



ARE YOUR PENSIONS PROTECTED?

**IF YOUR CURRENT MONTHLY PENSION AND BENEFITS ARE
\$1,500 OR LESS***

**YOU ARE PROTECTED
FROM PENSION REDUCTIONS.**

**IF NOT,
YOUR MONTHLY PENSION AND BENEFITS WILL BE
REDUCED BY UP TO 8.5%.**

To know more about the impact of the COR Agreement on your pension and monthly benefit, go to the Pension Calculator available at porturetiro.com.



VOTE

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porturetiro.com

*Your total monthly benefit includes your monthly base pension, 1/12 of your annual Christmas Bonus (if any), 1/12 of your annual Summer Bonus (if any) and 1/12 of your annual Medicine Bonus (if any). Your total monthly benefit excludes monthly contributions to your medical insurance benefits and your Social Security benefits.

BENEFITS OF THE COR AGREEMENT



THE COR'S AGREEMENT INCREASES THE NUMBER OF PROTECTED RETIREES.

Protects More Retirees	73% of all retirees are protected from cuts – over 120,000 retirees protected
Increases Pension Cut Threshold	Pension threshold increased to \$1,500/month from as low as \$600/month as originally proposed by the FOMB
Reduces the Maximum Cut to Pensions	Maximum cut reduced to 8.5% compared to 25% as originally proposed by the FOMB



THE COR'S AGREEMENT ENSURES THAT BENEFITS AND HEALTH INSURANCE ARE PROTECTED.

Preserves Medical Insurance	Maintains monthly contributions to health insurance, unlike the FOMB's proposal, preventing a \$100/month deduction for those eligible (139,000 people)
Preserves Social Security	Ensures social security will not be factored into pension reductions



THE COR'S AGREEMENT SECURES MORE TIME FOR RETIREES TO ADJUST TO THE CHANGES AND PROTECTS AGAINST THE FUTURE, LEAVING OPEN THE POSSIBILITY OF RESTORING BENEFITS IF ECONOMIC CONDITIONS IMPROVE.

Delays the effective date	Cuts will be effective on July 1, or 6 months after the Plan of Adjustment is confirmed by the Court, whichever happens later
Ensures Government Compliance	The Agreement will be part of a federal court order, which prevails over any local law, protecting pensions from any breach by the government and from future laws that could reduce the benefits of retirees.
Creates a Pension Reserve Fund	Establishes a pension reserve fund to provide assurance for future pension payments in the event the government doesn't have funds for pension obligations
Establishes a Pension Benefit Restoration Mechanism	Allows for the government to give back pension cuts to retirees if the economy outperforms the Fiscal Plan projections or if the government identifies a source of income within its annual budget



VOTE

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porturetiro.com